



*United States Attorney
Southern District of New York*

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**MKD CAPITAL PRESIDENT PLEADS GUILTY
TO \$9 MILLION COMMERCIAL LOAN SCAM**

JAMES B. COMEY, the United States Attorney for the Southern District of New York announced today that AVRAM LEBOR, also known as "AVI LEBOR," President of MKD Capital Corporation in Manhattan, pled guilty in Manhattan federal court to wire fraud and conspiracy charges arising from his scheme to defraud loan applicants of millions of dollars in advance fees.

LEBOR pled guilty late Wednesday in front of United States Magistrate JAMES C. FRANCIS IV.

According to the Information, LEBOR, held himself out as a direct lender or mortgage banker for commercial loans capable of providing multimillion dollar loans. The Information charged that from at least 1998 to MAY 2002, LEBOR and his co-conspirators participated in a massive scheme to defraud developers seeking to obtain financing for development projects by: (i) falsely representing that MKD Capital had to access funds for loans for multimillion dollar real estate projects; (ii)

falsely promising to provide loans for these projects; and (iii) inducing developers to pay millions in advance fees, including application fees and legal retainers, as a condition of MKD's review of their applications and it promise to provide loans.

According to the Information, LEBOR and his co-conspirators promised to provide a total of at least \$2.5 billion dollars in commercial real estate loans. MKD failed to fund any of these loans, but kept approximately \$9 million in purportedly "fully refundable" application deposits and approximately \$500,000 in legal retainer fees.

In his guilty plea yesterday, LEBOR admitted that he had accepted advance fees from individuals in return for obtaining financing for real estate development projects, and that he, and others at his direction, lied to developers in order to collect the advance fees he required from his customers.

LEBOR, 55, lives in Lawrence, NY.

Each charge carries a maximum 5-year prison sentence and a \$250,000 fine. The next court appearance is scheduled for February 5, 2003.

Mr. COMEY praised the investigative efforts of the FBI in this case.

Assistant United States Attorney JENNIFER MOORE is in charge of the prosecution.

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